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FM AMEMBASSY BANGKOK
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8661
INFO RUCPDO/DEPT OF COMMERCE WASHINGTON DC IMMEDIATE
RUEATRS/DEPT OF TREASURY WASHINGTON DC IMMEDIATE
RUEHCHI/AMCONSUL CHIANG MAI IMMEDIATE 7176
RUEHXS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS PRIORITY

UNCLAS SECTION 01 OF 02 BANGKOK 002678

STATE FOR EAP/MLS, EEB
STATE PASS TO USTR FOR BWEISEL, BKLEIN
COMMERCE FOR EAP/MAC/OKSA FOR JKELLY
TREASURY FOR OASIA
SINGAPORE FOR FINATT BLEIWEIS

SENSITIVE
SIPDIS

E.O. 12958:N/A
TAGS: [ECON](#) [EINV](#) [ETRD](#) [PREL](#) [TH](#)
SUBJECT: PRIME MINISTER MEETS WITH ASIA-PACIFIC AMERICAN CHAMBERS OF
COMMERCE

REF: A. BANGKOK 2597 (ENVIRONMENTALISTS VERSUS INDUSTRIALISTS)
[1](#)B. BANGKOK 2320 (AMBASSADOR MEETS DEPUTY FINANCE MINISTER)
[1](#)C. BANGKOK 2185 (REFORMING THAI CUSTOMS)

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[1](#)1. (SBU) Summary: In an October 16 meeting with the Ambassador and representatives of the Asia-Pacific Council of American Chambers of Commerce (APCAC), Prime Minister Abhisit Vejjajiva expressed optimism that Thailand was on the path to economic recovery now that unemployment figures have stabilized and exports and tourism figures are improving. He asserted that following the implementation of the government's second stimulus package, Thailand's competitiveness should soar over the next three years. While noting the wealth of opportunities for American businesses in Thailand and the region, the Ambassador urged the Prime Minister to address some of the business community's long-standing complaints such as customs inefficiencies. End Summary.

[1](#)2. (U) The Ambassador led a group of American business leaders from APCAC, an umbrella organization of 27 American Chambers of Commerce from throughout the region, to meet with Prime Minister Abhisit on October 16. The business group was headed by APCAC Chair, Kristin Paulson, based in Singapore, and Tami Overby, Vice President for Asia Pacific at the U.S. Chamber of Commerce in Washington, DC.

[1](#)3. (SBU) The Ambassador noted the wealth of opportunities to expand trade between the U.S. and Asia and congratulated the Prime Minister's efforts to establish a single window to help facilitate trade. Abhisit said Thailand's economic data was starting to show signs of recovery and he hoped his government could now focus on improving Thailand's competitiveness in the region. Abhisit expressed his appreciation for the Obama Administration's increased engagement with ASEAN and said that he looked forward to continuing these discussions with the President during next month's U.S.-ASEAN Summit in Singapore. Abhisit also said he hoped the U.S. would be able to facilitate a conclusion to the Doha Round soon and that a binding agreement could be reached on climate change.

[1](#)4. (SBU) The Ambassador raised a set of existing business concerns, including customs inconsistencies (ref C), and business worries at some major investment sites such as the Map Ta Phut Industrial Estate (ref A). The Ambassador opined that if the Thai government could address these business concerns, U.S. investment in Thailand could easily top \$3 billion this year, or one eighth of overall investment over the past fifty years. Abhisit noted that the foreign business community regularly reminded him of the need to liberalize Thailand's investment rules, particularly in the finance and logistics sectors. He added that his government would be willing to

liberalize certain sectors, particularly those that would not require lengthy legislative amendments.

¶5. (U) In response to the Ambassador's inquiry about the Map Ta Phut dispute (ref A), the Prime Minister emphasized that his government had appealed the ruling by the Administrative Court and that he hoped the Supreme Administrative Court would overturn the ruling so that companies, including Dow Chemical and Star Petroleum Refining Co, a subsidiary of Chevron, could proceed with their investment projects. He indicated that the government is currently reviewing other options to enable the projects to proceed, particularly if the court's initial ruling is upheld. The Ambassador stated that the U.S. Government will not interfere with the legal process and stressed that all parties want to reach an environmentally friendly solution to the problem.

¶6. (U) Regarding intellectual property rights, Abhisit pointed out that the government had increased its IPR enforcement efforts in recent months. He expressed hope that the government's "creative economy" initiative would motivate Thai citizens to create their own intellectual property to propel the Thai economy forward. He added that the government continues to look for solutions to provide lower income populations with access to essential drugs.

¶7. (SBU) In a separate one-on-one meeting with the Prime Minister following the APCAC meeting, the Ambassador inquired about the status of the U.S. company GTECH's online lottery contract, which has been stalled for the past four years. The Prime Minister indicated that the Ministry of Finance would allow the project to move forward, but only after a charitable fund for the proceeds generated by the lottery had been established. The Ambassador also raised the Customs-related concerns of Amway (ref B), but the Prime Minister was surprised Amway's case had not been resolved already. Post will follow up on these two cases.

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